certain variations in different parts of the country due to varietal consumer preferences, transportation cost from producing centres, quantities and time of their procurement, level of local taxes, commission allowed by the manufacturers to the wholesalers, retailers margin and local transportation cost etc.

Unutilisation of Loan Sanctioned for cane Development

522. SHRI LAJPAT RAI: Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that loan sanctioned from Sugar Development Fund for the purpose of cane development remained unutilised vastly in almost all the States;

(b) whether the sanctioning authorities have ever tried to find out the causes for that; and

(c) what are the effects of non-utilisation of the sanctioned loans apart from the suffering of the cane development?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) Loans sanctioned from the Sugar Development Fund for cane development are generally utilized by the sugar units in all the States, though at times the utilization is not timely and is delayed.

Loans from the Sugar Development Fund are disbursed on the basis of (1) utilization certificates received through the respective State Government in respect of the previous loan instalment released and (2) on the recommendation for release of next instalment by the respective State Government.

(b) In case of loan instalments not being utilized in time, the sugar unit as well as the State Government are asked to explain the causes/reasons.

(c) Apart from cane development programme suffering on account of non-utilisation, if any, of the sanctioned loans, there could be an adverse impact on sugar production by the sugar unit that has been sanctioned the loan.

Performance of Sugar Industry

523. SHRI VIJAY J. DARDA: Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government have recently reviewed performance of sugar industry;

(b) if so, the details thereof by standard norms for the past three years, State-wise;

(c) what are the major problems faced by the industry and details of memorandum received in this regard, State-wise; and

(d) the details of action taken or proposed thereon alongwith major policy changes taken, recently?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) to (d) The performance of the sugar industry has consistently improved in the last few years as may be observed from the sugar production for the year 1997-98 to 1999-2000:-

Season	Production (In lakh tonnes)
1997-98	128.44
1998-99	155.20
1999-2000 (Provisional)	180.00

Due to high level of production during the two consecutive years, namely, 1998-99 and 1999-2000, the stocks of sugar available with the sugar factories have substantially increased. As per the current estimates, the closing stocks of sugar at the end of the current 1999-2000 season would be of the order of 96.39 lakh tonnes. The high level of stocks have created the problems of shortage of space and liquidity with the mills

2. The following steps have been taken to help the sugar mills to overcome these problems:

(i) The Government have reduced the levy obligation of sugar factories from 40% to 30% with effect from 1-1-2000 with a view to improving the financial position of the sugar factory which would enable them to pay the cane price dues promptly.

(ii) To restrict inflow of imported sugar in the country, Government have increased the custom duty to 60% with effect from 9-2-2000, alongwith the existing countervailing duty of Rs. 850 per tonne.

(iii) The Government have been pursuing a policy of encouraging stability and reasonable level of sugar prices in the domestic market through judicious release of freesale sugar quotas to enable the sugar factories to clear the cane price dues of the farmers.

(iv) Government have decided to allow export of 10 lakhs tonnes of sugar and exempt the sugar to be exported from levy obligation. This exemption has been given for a period of six months beginning from 1st" June, 2000.

Storage of Foodgrains by FCI

524. SHRI R. P. GOENKA: Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) the stocks of foodgrains with the Food Corporation of India more than what are reasonably required;

(b) whether the excess stock put pressure on the storage capacity;

(c) whether all these stocks are stored under hygienic conditions;

(d) how much does the excess stock increase the cost of foodgrains to FCI; and

(e) whether it is not prudent to export a part of foodgrains held by FCI and the proceeds put in a separate account to be used whenever domestic shortages make imports necessary?

THE MINISTER OF STATE IN THE MINISTRY OF